



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JAY B. RISING
STATE TREASURER

October 2003

TO: **TREASURERS WITH INDUSTRIAL FACILITY TAX (IFT) CERTIFICATES**
Act 198 P.A. 1974, as amended

RE: Instructions for the 2003 Industrial Facilities Tax (IFT) Report Forms
Form 3865; Voucher is to be used by local treasurers when disbursing the state's share of the summer and winter 2003 IFT collection.
Form 170, IFT tax report is due by July 31, 2004 for a full year's (summer and winter) accounting of the school operating, ISD special and/or vocational education plus debt and the State Education Tax (SET) for IFT certificates effective for the 2003 tax year. All documents for the required reporting of the IFT collection (tax report form, instruction letter, voucher, unpaid IFT's and Appendix 1 & 2) will be on the Treasury web-site by November 1, 2003. Please retain this letter for reference throughout the 2003 tax year. If you require a hard copy or the information on computer disk, please contact this office.

Voucher; Form 3865 (revised 2003)

Three vouchers have been provided for your use. Submit a completed voucher and a check for the summer (winter) collection being disbursed to the State of Michigan by **October 20, 2003 for the summer disbursement** and by **March 20, 2004 for the winter disbursement**. A wire transfer lacks documentation and therefore is not an acceptable form of payment.

CHECKS Payable to: **STATE OF MICHIGAN**
Mail to: **MICHIGAN DEPT. OF TREASURY**
P.O. BOX 30471, LANSING, MI 48909-7971

Form # 170, (revised 2003)

Form # 170 (revised for the 2003 IFT tax year) is a seven page annual summary of the current certificates on the IFT tax roll. **Please submit a separate Form 170 for each specific school district.** This form will be the only format accepted, replacing all previous Form 170's and spreadsheets. **For the 2003 tax year only, the State Education Tax mills have been reduced from six (6) to five (5) mills*. Form # 170 is due by July 31, 2004.**

The new format is as follows:

- Identification (identify tab) page – enter general information in the blue cells.
- Step 1 – enter the **full** millage rates (specifically lines 1, 6, & 9) and the ISD percentage from Appendix 1 on line 7 in the blue cells.
- Step 2 – enter certificates, by category as follows:
 - category 1 - enter all IFT New, Pre 1994 certificates (issued prior to 1994)
 - category 2 – enter all IFT New, Post 1993 certificates (issued in 1994 and after)
 - category 3 – enter all IFT rehabilitation
 - Each of the categories above have a box to check if the following is applicable
 - Board of Review or Michigan Tax Tribunal orders (informational only)

- Delinquencies (Step four calculates amount of delinquency)
- Renaissance Zone (A formula removes Taxable Value from calculation)
- For categories 2 and 3; State Education Tax (Enter full SET from certificate, the formula will automatically enter the SET on Step 3 for all lines pertaining to SET, including lines 9 & 10.

Step 3 – the spreadsheet contains formulas to compute the tax. If the form is manually generated, enter information on lines 9 and 10 only if you have a special SET abatement.

Step 4 – claim credits here for eligible authority captures (TIFA, LDFA, DDA from Form 2604 or 2967) and (summer or winter) payments already made or about to be made. Report the total interest or penalty (if applicable) included in your payments in the box provided. The spreadsheet will calculate the balance difference. The form now reports the amount outstanding due to delinquencies.

Form 170 may be used in the following manners:

As a master list, each year the treasurer could copy the previous year's Form 170 and save as the current tax year. Making sure to change the tax year, applicable millage(s), delete or add certificate(s) for expired or newly approved, change the taxable value(s), authority capture (if applicable), and the listed payments.

As a revised report for:

The revised report would inform the State regarding Board of Review changes, and/or Michigan Tax Tribunal orders, etc that would result in additional payments/refunds of the IFT monies disbursed to the State.

Please follow the sample provided on Form #170 for reporting IFT certificates.

List all current IFT's certificates

Please reference the IFT certificate numbers assigned by this office.

Mark the appropriate column for delinquent certificates

Mark the appropriate column for Board of Review or Michigan Tax Tribunal orders.

Fill out the complete form (including steps 1-4), print out a hard copy of the completed form, sign and submit the form to the State of Michigan, along with a disk or electronic generate (e.g. e-mail form as an attachment).

NOTE: If the local school district or another entity is collecting the summer taxes, please forward a copy of this packet to the school district for filing of the tax monies with the State of Michigan or have them contact our office.

Delinquent IFT's: Delinquent IFT tax bills are not turned over to the County, but are collected by treasurers who should immediately take the appropriate action (summer or winter) per Sections 12 & 13 of the Act 198, P.A. 1974, as amended, against a delinquent IFT certificate holder. The form titled *Unpaid IFT Bills*, is a sample of non-payment and release of non-payment letters to assist treasurers with delinquent collections. Interest or penalty collected for delinquent payments should be distributed as any other interest or penalty collected for the ad valorem roll. Please call our office for additional assistance.

IFT Total Tax Calculations:

Rehabilitation (This calculation is the same for certificates issued either before or after January 1, 1994)
Current year IFT Tax = Frozen Taxable Value x current total ad valorem millage levied on non-homestead property. (Full county, local, community college, school (18 Mills), ISD and State Education Tax (*5 mills)).

New Facility IFT certificates issued before January 1, 1994

Current IFT Tax = Taxable Value x ½ current total ad valorem millage levied, minus K-12 (18 Mills) and minus the State Education Tax (*5 mills) plus Taxable Value x ½ of the 1993 operating millage for K-12. (See appendix 2)

New Facility IFT certificates issued after December 31, 1993

Current IFT Tax = Taxable Value x ½ current total ad valorem millage levied, minus the State Education Tax (*5 mills) plus Taxable Value x Portion of State Education Tax (*5mills) not exempted by the Michigan Economic Development Corporation (MEDC). The MEDC may make a determination to grant the company a reduction of the State Education Tax (SET) which is **5 mills. The exemption could exclude** ½ (*2.5 mills) or all (0 mills) of the *5 mills levied under SET. The amount of SET mills to be levied and remitted is the full amount (do not half for new facility certificate). The SET is displayed on each certificate issued after January 1, 1994.

* Note: The State Education Tax has been changed for the 2003 IFT taxes to five (5) mills.

Distribution of the IFT monies collected

IFT Collection for distribution to the STATE OF MICHIGAN

School operating levy (excluding debt)

State Education Tax

State share of ISD mills – Special Education/debt and/or Vocational Education/debt

(See Appendix 1 to determine percent to utilize on Step 1, line 7)

IFT Collection for distribution to the SCHOOL DISTRICT

School Debt or Sinking Fund

IFT Collection for distribution to the INTERMEDIATE SCHOOL DISTRICT

ISD General operating levy

NOTE: ISD's which do not receive State Aid for Special Education and debt and or Vocational Education and debt receive those revenues directly - See appendix 1)

The Treasury web site, on November 1, 2003, will contain the following documents:

Form 170, Industrial Facilities Tax Report

Instruction letter for 2003 tax year

Voucher(s)

Appendix 1 (% ISD may retain)

Appendix 2 (1993 school operating mills)

Unpaid IFT bills

Route to our website; www.michigan.gov

Click on the following as they appear:

State web sites (top bar)

Treasury (scroll down sites)

Local Government (on left side of screen)

Forms & Instructions

Property Tax Forms (scroll down)

Property Tax - Abatement/Exemption

(example) 3865, Industrial Facility Tax (VOUCHER)

The treasurer should retain this letter for use when disbursing the 2003 IFT tax collection. The program will be updated annually and placed on the web site. Treasurers without computer access should contact this office for a paper copy or a computer disk of the forms.

Should you require assistance, please feel free to contact Debby Abbruzzese at (517) 373-3302.

Sincerely

A handwritten signature in black ink, appearing to read "Dianne O. Wright". The signature is fluid and cursive, with the first name "Dianne" being more prominent.

Dianne O. Wright, Manager
Exemption Program Section

Enclosure